## SCHEDULE 2
## COMPENSATION AMOUNTS

This Schedule 2 consists of two (2) parts. Part I is a compensation table showing in a matrix format the amounts payable by the GOP in connection with a transfer of the Complex following a termination of the Implementation Agreement in accordance with Article XV and Section 14.1. The table refers to various compensation elements, labeled as a, b, c, d, and e, which are set forth in Part II.

The calculations with respect to each compensation element and the amounts payable under this Schedule shall be verified and certified by an international accounting firm operating in Pakistan (directly or through an affiliate) approved by the Parties.

### PART I OF SCHEDULE 2 – COMPENSATION TABLE

| | TERMINATION EVENT | COMPENSATION PAYABLE BY THE GOP |
|---|---|---|
| 1. | Termination for a Seller Event of Default (other than a Restoration Schedule Default) where the GOP elects to purchase the Complex - Section 15.1(a). | A |
| 2. | Termination for a GOP Event of Default - Section 15.1(b). | a + b + c + d |
| 3. | Termination following a Change in Law - Section 15.1(c) | a + b + c + d |
| 4. | Termination by Purchaser (with GOP approval) for a Restoration Schedule Default following an Other Force Majeure Event - Section 15.1(d). | a + e |
| 5. | Termination of the Energy Purchase Agreement following a Pakistan Political Event where the Report concludes that Restoration is feasible but the Purchaser (with GOP approval) elects to terminate - Section 15.1(e)(i). | a + b + c + d |

| | TERMINATION EVENT | COMPENSATION PAYABLE BY THE GOP |
|---|---|---|
| 6. | Termination of the Energy Purchase Agreement following a Pakistan Political Event where Restoration is not feasible - Section 15.1(e)(ii). | a + b + d |
| 7. | Termination of the Energy Purchase Agreement following a Pakistan Political Event where Restoration is feasible but financing is not available - Section 15.1(e)(iii). | a + b + d |
| 8. | Termination of the Energy Purchase Agreement by the Purchaser (with GOP approval) for a Restoration Schedule default despite diligence following a Pakistan Political Event - Section 15.1(e)(iv). | a + e |
| 9. | Termination of the Energy Purchase Agreement by the Purchaser (with GOP approval) after one hundred and eighty (180) Days of a Pakistan Political Event – Section 15.1(e)(v). | a + b + c + d (provided, that if the termination occurs prior to the Commercial Operations Date, the component “c” shall be multiplied by a ratio the numerator of which is the equity invested by the Seller at the time of termination and the denominator of which is the Project Base Equity (as defined in Part II). |
| 10. | Termination of the Energy Purchase Agreement by the Seller after one hundred and eighty (180) Days of a Pakistan Political Event - Section 15.1(e)(v). | a + b + (c/2) + d (provided, that if the termination occurs prior to the Commercial Operations Date, the component “c” shall be multiplied by a ratio, the numerator of which is the equity invested by the Seller at the time of termination and the denominator of which is the Project Base Equity (as defined in Part II). |

| | TERMINATION EVENT | COMPENSATION PAYABLE BY THE GOP |
|---|---|---|
| 11. | Termination of the Energy Purchase Agreement for a Restoration Schedule default without diligence following a Pakistan Political Event<br>- Section 15.1(e)(iv). | a + (e/1.25) |
| 12. | Termination of the Energy Purchase Agreement by the Purchaser (with the approval of the GOP) following a revision of the Restoration Schedule by the Expert - Section 15.1(e)(vi). | a + b + d |

## PART II OF SCHEDULE 2 – COMPENSATION ELEMENTS

**Glossary**:

"**Calculation Date**" is defined in paragraph 1.7.

"**Project Base Cost**" means the product of (i) capital cost per MW stated in the generic solar upfront tariff determination of NEPRA numbered •, dated • for the [1-20][1] MW capacity projects, as may be adjusted by NEPRA specifically for the Project at the Commercial Operations Date, and (ii) the Contract Capacity in MW.

"**Project Base Debt**" = $(A*FD_{\%}*CC*FX_{Rev}) + (B*LD_{\%}*CC)$

Where

| | | |
|---|---|---|
| A | = | the principal sum of foreign debt (if any) per MW for the first Quarter stated in the relevant Annex of the Tariff Determination |
| $FD_{\%}$ | = | percentage of foreign debt stated in the Tariff Determination |
| $LD_{\%}$ | = | percentage of local debt stated in the Tariff Determination |
| B | = | the principal sum of local debt (if any) per MW for the first Quarter stated in the relevant Annex of the Tariff Determination |
| $FX_{Rev}$ | = | The exchange rate of Rupees for Dollars on the Calculation Date (to by applied only if payment for the "A" component of the Project Base Debt is being made in Rupees) |
| CC | = | Contract Capacity in MW |

as may be adjusted or modified by NEPRA at the Commercial Operations Date.

"**Project Base Equity**" means twenty five percent (25%) of the Project Base Cost.

"**Principal Repayment Component**", "**Interest Charges Component**" and "**Contract Capacity**" bear the meaning given in the Energy Purchase Agreement.

"**Quarter**" means a calendar quarter of three (3) Months.

In this Schedule 2, the letters a, b, c, d and e are used to identify the various elements of compensation to be paid upon the occurrence of the events described in Article XV and this Schedule 2. The letters a, b, c, d and e shall equal the following amounts:

[1] Varies with project's size. To mention per project size.

## 1. Element "a"

1.1 a = the sum of (i), (ii) and (iii)

(i) = (A) + (B) – (P)

(A) = sum of (x) and (y)

where:

(x) the total amount of principal sum of the debt outstanding under the Financing Documents at the Commercial Operations Date; and

(y) interest or mark-up (or any other term connoting the return paid to the Lenders on debt) accruing thereon under the Financing Documents for the period starting from the date of the last payment of interest or mark-up to the Lenders and ending on the Calculation Date.

(B) Fees and reasonable out-of-pocket expenses owing to the Lenders under the Financing Documents as of the date of payment by the GOP, in any case not exceeding one and one-half percent (1.5%) of the Project Base Debt, and

(P) sum of payments made by the Purchaser (or the GOP) to the Seller as part of the Energy Price since the Commercial Operations Date or otherwise (including NPMV payments and payments under Articles VI, VIII and XV of the Energy Purchase Agreement) on account of (L) and (I);

where:

(L) = the Principal Repayment Component; and

(I) = the Interest Charges Component (as may be revised following Interest Rate Savings) for the period starting from the date of the last payment of interest or mark-up to the Lenders and ending on the Calculation Date.

1.2 In any case the item (i) in element "a" shall not exceed the sum of (xx) and (yy).

Where:

(xx) = the combination of (1) the base amount (opening balance for the Quarter) of the principal sum of foreign debt (if any) stated in the relevant Annex of the Tariff Determination for the Quarter in which the Calculation Date falls, multiplied by the Contract Capacity ("**USD**

**Relevant Quarter Base Amount**"); and (2) the base amount (opening balance for the Quarter) of the principal sum of local debt (if any) stated in the relevant Annex of the Tariff Determination for the Quarter in which the Calculation Date falls, multiplied by the Contract Capacity ("**PKR Relevant Quarter Base Amount**"); and

(yy) = the sum of interest accruing on the: (1) USD Relevant Quarter Base Amount calculated at the interest rate applied for the Interest Charges Component (as may be revised for Interest Rate Savings) per annum; and (2) PKR Relevant Quarter Base Amount calculated at the interest rate applied for the Interest Charges Component (as may be revised for Interest Rate Savings) per annum, both (1) and (2) calculated for the period starting from the date of the last payment of interest or mark-up to the Lenders and ending on the Calculation Date.

1.3 The item (ii) in element "a" comprises the total amount outstanding under any loan agreements for capital improvements to or Restoration of the Complex that are required as a result of a CLFME or a PPFME under the Energy Purchase Agreement, as approved by the Purchaser pursuant to the terms thereof, taking into account all Supplemental Tariffs, made by the Purchaser, less any insurance proceeds received by the Seller following a Force Majeure Event and not spent for Restoration (unless such insurance proceeds are accounted for in the determination of the Supplemental Tariff).

1.4 The item (iii) in element "a" shall be that, except in the case of termination due to a Seller Event of Default, any winding-up costs, breakage costs, prepayment penalties and charges, or similar charges or costs (in each case being reasonable and according to lending market practices) payable to the Lenders in accordance with the Financing Documents.

1.5 Notwithstanding the foregoing, no accrued interest or mark-up (or any other term connoting the return paid to the Lenders on debt) or default interest shall be paid by the GOP for any interest or mark-up (or any other term connoting the return paid to the Lenders on debt) that accrued under the Financing Documents from and after a default by the Seller thereunder unless such default results from a GOP Event of Default or a Purchaser Event of Default under the Energy Purchase Agreement.

1.6 The calculations with respect to each compensation element and the amounts payable under this Schedule shall be verified and certified by an international accounting firm operating in Pakistan (directly or through an affiliate) approved by the Parties who shall be provided access to all Financing Documents, disbursement and repayment schedules and other relevant information as required.

1.7 The sum of all amounts owing to the Lenders under items (i), (ii) and (iii) of element "a" hereabove shall, within thirty (30) Days of a request by the GOP, prior to termination by the GOP or the Seller, as applicable, be specified by the Lenders in writing to GOP as to such amounts owing on a date no less than sixty (60) Days following the request and specified in the request by the GOP ("**Calculation Date**").

1.8 In case termination occurs before the Commercial Operations Date, the "a" component shall be equal to the amount outstanding under the Financing Documents at the date of the transfer of the Complex plus interest accruing thereon under the Financing Documents (but excluding default interest unless such default interest results from a GOP Event of Default under the Guarantee or a Purchaser Event of Default under the Energy Purchase Agreement), not exceeding the Project Base Debt plus the amounts under items (ii) and (iii) above.

## 2. Element "b"

As of the date of transfer of the Complex to the GOP, the actual equity investment in the Complex, not to exceed the Project Base Cost, reduced on a straight-line basis from the Commercial Operations Date through the Term of this Agreement to twenty percent (20%) of the value of such equity, which amount shall be further reduced by the estimated cost of maintenance to be performed during the then Scheduled Maintenance Outage (*if any*) and the estimated cost of the maintenance (*if any*) to be performed during the next major maintenance overhaul, in each case prorated by the ratio of (i) the number of days in the period from the last such maintenance until the date of termination to (ii) the number of days in the period between the last such maintenance and the scheduled date for the next such maintenance.

For the purposes of calculation and payment of the Compensation Amounts, the aggregate sum of the compensation elements "a" and "b" shall not exceed the sum of element "a" and the Project Base Equity.

## 3. Element "c"

For a period equal to the lesser of (i) four (4) years and (ii) the remainder of the initial term of the Energy Purchase Agreement, an amount equal to (A) prior to the first anniversary of the Commercial Operations Date, the NEPRA assumed annual amount of Return on Equity (ROE) under the Tariff Determination, multiplied by the number of years in such period, or (B) following the first anniversary of the Commercial Operations Date, the Net Cash Flow as shown in the audited financial statements of the Seller for the last completed year prior to the date of termination, multiplied by the number of years in such period, discounted to its present value by applying a discount rate equal to twelve percent (12%).

The term Net Cash Flow shall mean the gross cash revenues of the Seller with respect to the operations of the Complex minus all cash expenses without including depreciation as a cash expense but including as a cash expense all principal payment amounts due during such year, all as shown in the audited financial statements of the Seller for the last completed year prior to the date of termination.

**4. Element "d"**

Any additional equity amounts that are contributed by the shareholders of the Seller for any of the events described under Article XV of the Energy Purchase Agreement plus any such other equity contributions, approved by either the GOP, NEPRA or the Purchaser, as the case may be, in each case reduced on a straight-line basis for each year following the date of such equity contribution to the end of the Term.

**5. Element "e"**

The summation of (i) any additional equity amounts, that are contributed by the shareholders of the Seller for any of the events that are described under Article XV of the Energy Purchase Agreement consequent upon the occurrence of a Force Majeure Event (as defined in the Energy Purchase Agreement) giving rise to the Restoration which led to termination of the Energy Purchase Agreement pursuant to Article XV thereof, reduced on a straight-line basis for each year following the date of such equity contribution to the end of the Term, plus (ii) original equity contributions, adjusted in the manner described in item (b) hereabove, plus other equity contributions, prior to such Force Majeure Event and approved by the GOP, NEPRA or the Purchaser, as the case may be, reduced on a straight-line basis for each year following the date of such equity contribution to the end of the Term.